

EXHIBIT “G”

MANUAL FOR ALLOCATION OF NUMMI PRODUCTION

BETWEEN GM AND TMS

EFFECTIVE AS OF SEPTEMBER 1, 1986

Between

GENERAL MOTORS CORPORATION

TOYOTA MOTOR CORPORATION

TOYOTA MOTOR SALES, U.S.A., INC.

and

NEW UNITED MOTOR MANUFACTURING, INC.

**MANUAL FOR ALLOCATION OF NUMMI PRODUCTION
BETWEEN GM AND TMS**

I. General Understandings

II. Definitions

III. Allocation Procedures

- A. Annual Allocation Plan**
- B. Monthly Allocation**
- C. Weekly Vehicle Order**
- D. Capacity Shortfall**

I. General Understandings

There is in effect between General Motors Corporation ("GM"), Toyota Motor Corporation ("TMC") and New United Motor Manufacturing, Inc. ("NUMMI") an Agreement on Manufacture of Toyota-Specific Vehicles, dated the 31st day of March, 1986, ("Agreement"), which sets forth the general understanding for allocating NUMMI production between GM and Toyota Motor Sales, U.S.A., Inc. ("TMS") beginning with the 1987 calendar year.

NUMMI production allocation covering that portion of the 1986 calendar year during which production of the Toyota-Specific Vehicle will commence shall be separately agreed upon by the parties in conformance with the understanding of Section 2.5 of the Agreement.

This Manual for Allocation of NUMMI Production between GM and TMS ("Manual") has been prepared in conformance with the requirements of the Agreement, and as specifically required under Section 2.5 of the Agreement. This Manual sets forth procedures for allocation of NUMMI production between GM and TMS beginning with the 1987 calendar year.

In addition to the requirements of the Agreement, it is understood that in the implementation of this Manual the parties recognize that it is of great importance to keep a smoothed production flow for the purpose of maintaining high quality vehicles and facilitating high efficiency in NUMMI's production and in GM's and TMS's distribution and marketing of vehicles.

The procedures set forth in this Manual, when signed on behalf of GM, TMC, TMS and NUMMI, shall be deemed to be incorporated in and to be a part of the Agreement.

The procedures set forth in this Manual may be changed at any time by mutual agreement in writing signed by duly authorized officers or representatives of GM, TMC, TMS and NUMMI. Any change shall be reflected in appropriately dated revision sheets to this Manual.

II. Definitions

The terms which are not defined in this Manual shall have the same meanings as terms defined in the Agreement or Purchase Procedures Manual between NUMMI and GM, effective as of December 4, 1984.

III. Allocation Procedures

A. Annual Allocation Plan

Beginning with the 1986 calendar year and each calendar year thereafter, NUMMI shall develop an annual production and allocation plan, expressed on a monthly basis, for the subsequent calendar year in accordance with Section 2.5 of the ^{1986, 1989} Agreement, and notify GM, TMC and TMS of such plan in writing in June of each year.

Within a month after receipt of NUMMI's proposal, GM, TMC and TMS shall review such plan and respond in writing to NUMMI. Based on the response by GM, TMC and TMS, NUMMI will adjust its initial proposal, if necessary, and negotiate any unresolved issue with the parties. In any event, the annual plan for the subsequent year shall be developed by September 1 of the prior calendar year. This annual plan shall be expressed on a calendar week basis, and shall be revised, if necessary, in accordance with this Manual.

B. Monthly Allocation

Each month NUMMI will meet separately with GM and TMS in a

Planning Meeting. Each Planning Meeting shall be designated for a specific month and shall be held within a period from ten (10) days prior to five (5) days after the first day of the specified month. The meeting dates shall be separately decided by the parties. At this Planning Meeting:

(1) GM and TMS will agree with NUMMI to a fixed allocation of total production capacity for the third month following the specified month of the meeting (e.g. at the October 1986 Planning Meeting for January 1987). This allocation shall be expressed on a weekly basis. If the allocated production capacity in a given calendar week is not fully requested by GM or TMS, that capacity shall be deemed forfeited. This forfeited capacity will be made available to the other party in that calendar week. GM and TMS shall be bound by and shall accept such fixed allocation unless NUMMI agrees to change such allocation upon the request of TMS or GM made more than seven (7) weeks prior to the production week provided that the allocation of the party not requesting a change either remains the same or is changed with that party's agreement. Allocation changes shall not be allowed within seven (7) weeks prior to the production week. In the event a capacity shortfall takes place after the allocation is fixed, Section D of this Manual shall apply.

(2) Additionally, GM and TMS will review with NUMMI a non-binding production and allocation plan for the fourth month following the specified month of the Planning Meeting (e.g. in January for May). If GM, TMS and/or NUMMI wish to modify the allocation that has been fixed according to paragraph B.(1) above or in the annual plan developed in September of the preceding year, the parties shall confer and may agree to make such adjustments, in compliance with the requirements under the Agreement. The fourth month review shall be expressed on calendar week basis.

C. Weekly Vehicle Order

For GM-Specific Vehicles (as defined in the Agreement), weekly vehicle orders shall be made in accordance with the procedures provided in Purchase Procedures Manual between NUMMI and GM, effective as of December 4, 1984 ("PPM-G"). The volumes specified in the Preliminary Requirement Schedule (as defined in PPM-G) shall be the same as pre-fixed capacity under Section B. (1) unless otherwise agreed to by NUMMI in advance. The fixed volumes in terms of the Katashiki of Product specified in

the Fixed Requirement Schedule (as defined in PPM-G) shall also be the same as pre-fixed capacity as determined by Section B.(1) of this Manual, unless otherwise agreed to by NUMMI in advance.

For Toyota-Specific Vehicles (as defined in the Agreement), weekly vehicle orders shall be made in accordance with Purchase Procedures Manual between NUMMI and TMS to be separately agreed upon ("PPM-T"). In PPM-T, the Preliminary Requirement Schedule and the Fixed Requirement Schedule shall be the same in principle as those in PPM-G. The volumes specified in such Preliminary Requirement Schedule and Fixed Requirement Schedule shall be the same as pre-fixed capacity respectively as determined by Section B.(1) of this Manual, unless otherwise agreed to by NUMMI in advance.

D. Capacity Shortfall

If actual production in a given period is, or is anticipated to be, less than the Annual Plan or fixed allocation capacity as determined by Sections III. A or III. B respectively, NUMMI will notify GM and TMS in writing as soon as possible of the revised plan of production that NUMMI will implement for that period. Such revised plan shall be developed in accordance with Section 2.5 of the Agreement and the General Understandings of this Manual.

Any shortfalls in meeting GM's and TMS's Annual Plan or fixed allocation production shall be made up within a practical time period unless the parties excuse NUMMI's obligations in this regard in case of extreme difficulty or impracticality.

The agreement of GM, TMC, TMS and NUMMI to the procedures of this Manual is signified by the execution in quadruplicate on their respective behalf by their duly authorized representatives, as follows:

APPROVED DATE: August 15, 1986
FOR: GENERAL MOTORS CORPORATION
BY: Allen F. Becht

TITLE: Director, International &
Joint Venture Programs

APPROVED DATE: August 18, 1986
FOR: TOYOTA MOTOR CORPORATION
BY: K. S. S.

TITLE: General Manager
Fremont Department

APPROVED DATE: _____

FOR: TOYOTA MOTOR SALES, U.S.A., INC.

BY: 

TITLE: Group Vice President, Sales, Marketing,

Distribution & Product Planning

APPROVED DATE: August 01, 1986

FOR: NEW UNITED MOTOR MANUFACTURING, INC.

BY: 

TITLE: General Manager

Production Control